

**RED RIVER PARISH SALES & USE TAX COMMISSION
COUSHATTA, LOUISIANA
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
JUNE 30, 2012**

RED RIVER PARISH SALES & USE TAX COMMISSION
TABLE OF CONTENTS
JUNE 30, 2012

	<u>Exhibit</u>	<u>Schedule</u>	<u>Page</u>
Affidavit	-	-	1
Independent Auditors' Report	-	-	2
Management's Discussion and Analysis	-	-	4
Statement of Net Assets	A	-	9
Statement of Activities	B	-	10
Balance Sheet - Governmental Funds	C	-	11
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets	D	-	12
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	E	-	13
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	F	-	14
Statement of Fiduciary Assets and Liabilities - Fiduciary Funds	G	-	15
Notes to the Financial Statements	-	-	16
Required Supplementary Information	-	-	22
Schedule of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds - Budget (GAAP Basis) and Actual	-	1	23
Other Supplementary Information	-	-	24
Schedule of Findings and Questioned Costs	-	2	25
Schedule of Collections, Distributions and Unsettled Balances	-	3	26
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <u>Government Auditing Standards</u>	-	-	27
Summary Schedule of Prior Audit Findings	-	4	29
Corrective Action Plan for Current Year Audit Findings	-	5	30

RED RIVER PARISH SALES & USE TAX COMMISSION
COUSHATTA, LOUISIANA
FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012

Legislative Auditor
P. O. Box 94397
Baton Rouge, LA 70804-9397

AFFIDAVIT

Personally came and appeared before the undersigned authority, Elaine Moore, Administrator of the Red River Parish Sales & Use Tax Commission, who duly sworn, deposes and says, that the financial statements herewith given presents fairly the financial position of the Red River Parish Sales & Use Tax Commission at June 30, 2012 and the results of its operations for the year then ended in accordance with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board.



Administrator

Sworn to and subscribed before me, this 18th day of October, 2012.



NOTARY PUBLIC

HINES, SHEFFIELD & SQUYRES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS
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INDEPENDENT AUDITORS' REPORT

Red River Parish Sales & Use Tax Commission
Post Office Box 570
Coushatta, Louisiana 71019

We have audited the accompanying financial statements of the governmental activities and the aggregate remaining fund information of the Red River Parish Sales & Use Tax Commission, Coushatta, Louisiana as of and for the year ended June 30, 2012, as listed in the table of contents. These financial statements are the responsibility of the Red River Parish Sales & Use Tax Commission's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the aggregate remaining fund information of the Red River Parish Sales & Use Tax Commission as of June 30, 2012, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued a report dated, October 18, 2012, on our consideration of the Red River Parish Sales & Use Tax Commission's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the budgetary comparison information on pages 4 through 8 and 23, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Red River Parish Sales & Use Tax Commission's financial statements as a whole. The accompanying information identified in the table of contents as Other Supplementary Information and Schedule of Collections, Distributions and Unsettled Balances is presented for the purposes of additional analysis and is not a required part of the financial statements. The Other Supplementary Information and Schedule of Collections, Distributions and Unsettled Balances are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

The financial information for the year ended June 30, 2011, which is included for comparative purposes was taken from the financial report for that year in which we expressed an unqualified opinion dated November 10, 2011, on the basic financial statements of the Red River Parish Sales & Use Tax Commission.

Hines, Sheffield & Squyres

Natchitoches, Louisiana

October 18, 2012

RED RIVER PARISH SALES & USE TAX COMMISSION
COUSHATTA, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2012

The Management's Discussion and Analysis of the Red River Parish Sales & Use Tax Commission's financial performance presents a narrative overview and analysis of Red River Parish Sales & Use Tax Commission's financial activities for the year ended June 30, 2012. This document focuses on the current year's activities, resulting changes, and currently known facts. Please read this document in conjunction with the Red River Parish Sales & Use Tax Commission's financial statements, which begin on page 9.

FINANCIAL HIGHLIGHTS

- 1) The Red River Parish Sales & Use Tax Commission had cash of \$74,982 at June 30, 2012 which represents a decrease of \$5,121 from prior year end.
- 2) The Red River Parish Sales & Use Tax Commission had accounts receivable of \$2,759 at June 30, 2012 which represents an increase of \$35 from prior year end.
- 3) The Red River Parish Sales & Use Tax Commission had accounts payable and accruals of \$687 at June 30, 2012 which represents an increase of \$27 from prior year end.
- 4) The Red River Parish Sales & Use Tax Commission had total revenues of \$56,953 for the year ended June 30, 2012 which represents an increase of \$623 from prior year.
- 5) The Red River Parish Sales & Use Tax Commission had intergovernmental revenues of \$56,318 for the year ended June 30, 2012 which represents an increase of \$97 from prior year.
- 6) The Red River Parish Sales & Use Tax Commission had interest income of \$635 for the year ended June 30, 2012 which represents an increase of \$526 from prior year.
- 7) The Red River Parish Sales & Use Tax Commission had total expenses of \$66,246 for the year ended June 30, 2012 which represents an increase of \$3,277 from prior year.
- 8) The Red River Parish Sales & Use Tax Commission had personal services expenses of \$51,913 for the year ended June 30, 2012 which represents an increase of \$1,082 from prior year.
- 9) The Red River Parish Sales & Use Tax Commission had capital asset purchases of \$0 for the year ended June 30, 2012 which represents no change from prior year.
- 10) The Red River Parish Sales & Use Tax Commission had debt services payments of \$0 for the year ended June 30, 2012 which represents no change from prior year.

OVERVIEW OF THE FINANCIAL STATEMENTS

The following graphic illustrates the minimum requirements for the Red River Parish Sales & Use Tax Commission as established by Governmental Accounting Standards Board Statement 34, Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments.

RED RIVER PARISH SALES & USE TAX COMMISSION
COUSHATTA, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
JUNE 30, 2012

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Management Discussion and Analysis

Basic Financial Statements

Required Supplementary Information
(Other than MD&A)

These financial statements consist of three sections - Management's Discussion and Analysis (this section), the basic financial statements (including the notes to the financial statements), and required supplementary information.

Basic Financial Statements

This annual report consist of a series of financial statements. The Statement of Net Assets and the Statement of Activities (on pages 9 and 10) provide information about the activities of the Red River Parish Sales & Use Tax Commission as a whole and present a longer-term view of the Commission's finances. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

The Statement of Net Assets and the Statement of Activities report the Commission's net assets and changes in them. You can think of the Commission's net assets, the difference between assets and liabilities, as one way to measure the Commission's financial health, or financial position. Over time, increases or decreases in the Commission's net assets are one indicator of whether its financial health is improving or deteriorating.

Fund financial statements start on page 11. All of the Commission's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short term view of the Commission's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Commission's activities as well as what remains for future spending.

RED RIVER PARISH SALES & USE TAX COMMISSION
COUSHATTA, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
JUNE 30, 2012

FINANCIAL ANALYSIS OF THE ENTITY

Statement of Net Assets
As of Year End

	<u>2012</u>	<u>2011</u>
Current and other assets	\$ 77,741	\$ 82,827
Capital assets, net	<u>2,220</u>	<u>3,329</u>
Total Assets	<u>\$ 79,961</u>	<u>\$ 86,156</u>
Other liabilities	\$ 687	\$ 660
Compensated absences payable	<u>26,768</u>	<u>23,697</u>
Total Liabilities	<u>27,455</u>	<u>24,357</u>
Net assets		
Investment in capital assets, net of related debt	2,220	3,329
Unrestricted	<u>50,286</u>	<u>58,470</u>
Total Net Assets	<u>52,506</u>	<u>61,799</u>
Total Liabilities and Net Assets	<u>\$ 79,961</u>	<u>\$ 86,156</u>

Net assets of the Red River Parish Sales & Use Tax Commission's decreased by \$9,293 or 15.04% from the previous fiscal year. The decrease is the result of expenses exceeding operating and nonoperating revenues during the fiscal year ended 2012 (See table below).

Statement of Activities
For the Year Ended

	<u>2012</u>	<u>2011</u>
General government		
Expenses	\$ (66,246)	\$ (62,969)
Program revenues		
Operating grants and contributions	<u>56,318</u>	<u>56,221</u>
Subtotal	(9,928)	(6,748)
General revenues	<u>635</u>	<u>109</u>
Change in net assets	<u>\$ (9,293)</u>	<u>\$ (6,639)</u>

The Red River Parish Sales & Use Tax Commission's total revenues increased by \$623 or 1.11% from the previous year. The total cost of all programs and services increased by \$3,277 or 5.20% from the previous year.

RED RIVER PARISH SALES & USE TAX COMMISSION
COUSHATTA, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
JUNE 30, 2012

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2012, the Red River Parish Sales & Use Tax Commission had \$2,220, net of depreciation, invested in a broad range of capital assets (See table below). This amount represents a net change (including additions and deductions) of \$1,109 or 33.31% from the previous year.

Capital Assets at Year End
(Net of Depreciation)

	<u>2012</u>	<u>2011</u>
Furniture, fixtures and equipment	\$ <u>2,220</u>	\$ <u>3,329</u>
Total	\$ <u><u>2,220</u></u>	\$ <u><u>3,329</u></u>

This year's major additions included:

None.

This years's major retirements included:

None.

Debt

The Red River Parish Sales & Use Tax Commission had \$26,768 in compensated absences payable at year end compared to \$23,697 at the previous year end, an increase of \$3,071 or 12.96% as shown in the table below.

Outstanding Debt at Year End

	<u>2012</u>	<u>2011</u>
Compensated absences payable	\$ <u>26,768</u>	\$ <u>23,697</u>
Totals	\$ <u><u>26,768</u></u>	\$ <u><u>23,697</u></u>

New debt during the year included:

None.

RED RIVER PARISH SALES & USE TAX COMMISSION
COUSHATTA, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
JUNE 30, 2012

VARIATIONS BETWEEN ORIGINAL AND FINAL BUDGETS

Actual revenues were \$147 less than budgeted amounts due to intergovernmental revenues being less than expected.

Actual expenditures were \$399 more than budgeted amounts due to operating services being more than expected.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Red River Parish Sales & Use Tax Commission's elected and appointed officials considered the following factors and indicators when setting next year's budget, rates, and fees. These factors and indicators include:

- 1) Intergovernmental revenues (based on personal and operating expenses)
- 2) Interest income
- 3) Miscellaneous income

The Red River Parish Sales & Use Tax Commission does not expect any significant changes in next year's results as compared to the current year.

CONTACTING THE RED RIVER PARISH SALES & USE TAX COMMISSION'S MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the Red River Parish Sales & Use Tax Commission's finances and to show the Red River Parish Sales & Use Tax Commission's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Elaine Moore, Administrator, Post Office Box 570, Coushatta, Louisiana 71019.

EXHIBIT A

RED RIVER PARISH SALES & USE TAX COMMISSION
COUSHATTA, LOUISIANA
STATEMENT OF NET ASSETS
JUNE 30, 2012 AND 2011

	<u>2012</u>	<u>2011</u>
ASSETS		
Current Assets		
Cash	\$ 74,982	\$ 80,103
Accounts receivable	<u>2,759</u>	<u>2,724</u>
Total Current Assets	77,741	82,827
Noncurrent Assets		
Capital assets, net	<u>2,220</u>	<u>3,329</u>
Total Assets	<u>\$ 79,961</u>	<u>\$ 86,156</u>
 LIABILITIES AND NET ASSETS		
LIABILITIES		
Current Liabilities		
Accounts payable and accruals	\$ 687	\$ 660
Total Current Liabilities	687	660
Noncurrent Liabilities		
Compensated absences payable	<u>26,768</u>	<u>23,697</u>
Total Liabilities	27,455	24,357
 NET ASSETS		
Investment in capital assets, net of related debt	2,220	3,329
Unrestricted	<u>50,286</u>	<u>58,470</u>
Total Net Assets	<u>52,506</u>	<u>61,799</u>
Total Liabilities and Net Assets	<u>\$ 79,961</u>	<u>\$ 86,156</u>

The accompanying notes are an integral part of this statement.

RED RIVER PARISH SALES & USE TAX COMMISSION
COUSHATTA, LOUISIANA
STATEMENT OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2012 AND 2011

	2012				2011	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Assets	Revenue and Changes in Net Assets
General Government						
Personal services	\$ 51,913	\$ 0	\$ 44,884	\$ 0	\$ (7,029)	\$ (4,633)
Travel	401	0	347	0	(54)	(39)
Operating services	6,208	0	5,368	0	(840)	(483)
Supplies	1,615	0	1,396	0	(219)	(119)
Professional services	5,000	0	4,323	0	(677)	(364)
Depreciation	1,109	0	0	0	(1,109)	(1,110)
Total General Government	<u>\$ 66,246</u>	<u>\$ 0</u>	<u>\$ 56,318</u>	<u>\$ 0</u>	<u>(9,928)</u>	<u>(6,748)</u>
General Revenues:						
Interest income					635	109
Miscellaneous					<u>0</u>	<u>0</u>
Total General Revenues					<u>635</u>	<u>109</u>
Change in Net Assets					(9,293)	(6,639)
Net Assets, Beginning of year					<u>61,799</u>	<u>68,438</u>
Net Assets, End of year					<u>\$ 52,506</u>	<u>\$ 61,799</u>

The accompanying notes are an integral part of this statement.

RED RIVER PARISH SALES & USE TAX COMMISSION
COUSHATTA, LOUISIANA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2012 AND 2011

	<u>2012</u>	<u>2011</u>
<u>ASSETS</u>		
Cash	\$ 74,982	\$ 80,103
Accounts receivable	<u>2,759</u>	<u>2,724</u>
Total Assets	<u>\$ 77,741</u>	<u>\$ 82,827</u>
 <u>LIABILITIES AND FUND BALANCES</u>		
<u>LIABILITIES</u>		
Accounts payable and accruals	\$ 687	\$ 660
Total Liabilities	<u>687</u>	<u>660</u>
 <u>FUND BALANCES</u>		
Unassigned	<u>77,054</u>	<u>82,167</u>
Total Fund Balances	<u>77,054</u>	<u>82,167</u>
Total Liabilities and Fund Balances	<u>\$ 77,741</u>	<u>\$ 82,827</u>

RED RIVER PARISH SALES & USE TAX COMMISSION
COUSHATTA, LOUISIANA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
JUNE 30, 2012

Total Fund Balances for Governmental Funds (Exhibit C)	\$	77,054
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Total Net Assets reported for governmental activities in the statement of net assets is different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. Those assets consist of:

Furniture, fixtures and equipment, net of \$3,329 in accumulated depreciation	\$	<u>2,220</u>	
Total Capital Assets			2,220

Long-term liabilities, including compensated absences payable, are not due and payable in the current period and therefore are not reported in the fund liabilities.	<u>(26,768)</u>
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Total Net Assets of Governmental Activities (Exhibit A)	\$	<u><u>52,506</u></u>
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RED RIVER PARISH SALES & USE TAX COMMISSION
COUSHATTA, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEARS ENDED JUNE 30, 2012 AND 2011

	<u>2012</u>	<u>2011</u>
REVENUES		
Intergovernmental revenues	\$ 56,318	\$ 56,221
Interest income	<u>635</u>	<u>109</u>
Total Revenues	56,953	56,330
EXPENDITURES		
General government		
Personal services	48,842	47,760
Travel	401	425
Operating services	6,208	5,299
Supplies	1,615	1,304
Professional services	5,000	4,000
Capital outlay	<u>0</u>	<u>0</u>
Total Expenditures	<u>62,066</u>	<u>58,788</u>
Excess/(Deficiency) Of Revenues Over Expenditures	(5,113)	(2,458)
Fund Balance, Beginning of year	<u>82,167</u>	<u>84,625</u>
Fund Balance, End of year	<u>\$ 77,054</u>	<u>\$ 82,167</u>

RED RIVER PARISH SALES & USE TAX COMMISSION
COUSHATTA, LOUISIANA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2012 AND 2011

Net Change in Fund Balances-Total Governmental Funds (Exhibit E) \$ (5,113)

The change in Net Assets reported for governmental activities in the statement of activities is different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation (\$1,109) exceeds capital outlay (\$0) in the current period. (1,109)

Some expense reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. (3,071)

Change in Net Assets of Governmental Activities (Exhibit B) \$ (9,293)

EXHIBIT G

RED RIVER PARISH SALES & USE TAX COMMISSION
COUSHATTA, LOUISIANA
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
JUNE 30, 2012 AND 2011

	<u>2012</u>	<u>2011</u>
Assets		
Cash	\$ <u>1,864,377</u>	\$ <u>18,757</u>
Total Assets	\$ <u><u>1,864,377</u></u>	\$ <u><u>18,757</u></u>
Liabilities		
Due to others	\$ <u>1,864,377</u>	\$ <u>18,757</u>
Total Liabilities	\$ <u><u>1,864,377</u></u>	\$ <u><u>18,757</u></u>

The accompanying notes are an integral part of this statement.

RED RIVER PARISH SALES & USE TAX COMMISSION
COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As provided in Article VII, Section 3 of the Louisiana Constitution of 1974, the Red River Parish Sales and Use Tax Commission serves as the collector of sales and use taxes for the parish. The Commission is comprised of five members, one selected from the Red River Parish School Board, Red River Parish Police Jury, Red River Parish Sheriff's Office, the Town of Coushatta, and the Village of Hall Summit, in accordance with a joint agreement of the agencies. The commissioners serve for indefinite terms and without benefit of compensation.

A. Basis of Accounting

In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. The GASB has issued a Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification). This Codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local governments. The accompanying financial statements have been prepared in accordance with such principles.

The accompanying financial statements of the Red River Parish Sales & Use Tax Commission consist only of the transactions and activity of the Red River Parish Sales & Use Tax Commission as authorized by Louisiana statutes.

Basis of accounting refers to when revenues and expenses are recognized and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The accounts of the Red River Parish Sales & Use Tax Commission are maintained in accordance with applicable statutory provisions as follows:

Revenue Recognition

Revenues are recognized using the full accrual basis of accounting; therefore, revenues are recognized in the accounting period in which they are earned and become measurable.

Expense Recognition

Expenses are recognized on the accrual basis; therefore, expenses, including salaries, are recognized in the period incurred, if measurable.

B. Budgetary Accounting

Formal budgetary accounting is employed as a management control. The Red River Parish Sales & Use Tax Commission prepares and adopts a budget prior to July 1 of each year for its general fund in accordance with Louisiana Revised Statutes. The operating budget is prepared based on prior year's revenues and expenditures and the estimated increase therein for the current year, using the full accrual basis of accounting. The Commission amends its budget when projected revenues are expected to be less than budgeted revenues by five percent or more and/or projected expenditures are expected to be more than budgeted amounts by five percent or more. All budget appropriations lapse at year end.

C. Cash and Cash Equivalents

Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

RED RIVER PARISH SALES & USE TAX COMMISSION
COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2012

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Receivables

All receivables are reported at their gross value and, where applicable, are reduced by the estimated portion that is expected to be uncollectible.

E. Bad Debts

Uncollectible accounts receivable are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectibility of the particular receivable. At June 30, 2012, \$0 were considered to be uncollectible.

F. Capital Assets

Capital assets are carried at historical costs. Depreciation of all exhaustible capital assets used by the Red River Parish Sales & Use Tax Commission are charged as an expense against operations in the Statement of Activities. Capital assets net of accumulated depreciation are reported on the Statement of Net Assets. Depreciation is computed using the straight line method over the estimated useful life of the assets, generally 20 to 40 years for buildings and building improvements and 5 to 10 years for moveable property. Expenditures for maintenance, repairs and minor renewals are charged to earnings as incurred. Major expenditures for renewals and betterments are capitalized.

G. Compensated Absences

Commission employees earn annual and sick leave at various rates depending on the number of years in service. The amount of annual and sick leave that may be accumulated by each employee is unlimited. Upon termination, an employee is compensated for all of their unused annual and sick leave at the employee's hourly rate of pay at the time of termination.

H. Restricted Net Assets

In the government-wide statements, equity is classified as net assets and displayed in three components:

1. Investment in capital assets, net of related debt - consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributed to the acquisition, construction, or improvement of those assets.
2. Restricted net assets - consists of net assets with constraints placed on the use either by a) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or b) law through constitutional provisions or enabling legislation.
3. Unrestricted net assets - all other net assets.

RED RIVER PARISH SALES & USE TAX COMMISSION
COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2012

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Fund Equity

In the fund financial statements, governmental fund equity is classified as fund balance and displayed in five components:

1. Nonspendable - amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.
2. Restricted - amounts constrained to specific purposes by either a) creditors, grantors, contributors, or the laws or regulations of other governments, or b) constitutional provisions or enabling legislation.
3. Committed - amounts constrained to specific purposes by the governmental entity at its highest level of decision-making authority (Board of Commissioners). These amounts can not be used for any other purposes unless the government takes the same highest level action to remove or change the constraint.
4. Assigned - amounts that do not meet the criteria to be classified as restricted or committed that are intended to be used for specific purposes as established by the Board of Commissioners or its management to which the Board of Commissioners has delegated the authority to assign amounts for specific purposes.
5. Unassigned - all other spendable amounts.

The Board of Commissioners establishes (and modifies or rescinds) fund balance commitments and assignments by passage of an ordinance or resolution.

The Commission typically uses restricted fund balances first, followed by committed, assigned and unassigned funds when an expenditure is incurred for purposes for which amounts in any of these fund balance classifications could be used.

J. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS

A. Deposits with Financial Institutions

For reporting purposes, deposits with financial institutions including savings, demand deposits, time deposits, and certificates of deposit. Under state law the Red River Parish Sales & Use Tax Commission may deposit funds within a fiscal agent bank selected and designated by the Interim Emergency Board. Further the Commission may invest in time certificates of deposit of state banks organized under the laws of Louisiana, national banks having their principal office in the state of Louisiana, in savings accounts or shares of savings and loan associations and savings banks and in share accounts and share certificate accounts of federally or state chartered credit unions.

RED RIVER PARISH SALES & USE TAX COMMISSION
COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2012

NOTE 2 DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS (CONTINUED)

A. Deposits with Financial Institutions (Continued)

Deposits in bank accounts are stated at cost, which approximates market. Under state law, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These pledged securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank in the form of safekeeping receipts mutually acceptable to both parties. The deposits at June 30, 2012 were secured as follows:

	<u>Cash</u>	<u>Certificates of Deposit</u>	<u>Total</u>
Deposits in bank accounts per balance sheet	\$ 1,939,359	\$ 0	\$ 1,939,359
	<u>Cash</u>	<u>Certificates of Deposit</u>	<u>Total</u>
Bank Balances (Category 3 Only, If Any)			
a. Uninsured and uncollateralized	\$ 0	\$ 0	\$ 0
b. Uninsured and uncollateralized with securities held by the pledging institution	0	0	0
c. Uninsured and uncollateralized with securities held by the pledging institution's trust department or agent but not in the entity's name	0	0	0
Total Category 3 Bank Balances	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Total Bank Balances (All Categories Including Category 3 Reported Above)	<u>\$ 1,939,929</u>	<u>\$ 0</u>	<u>\$ 1,939,929</u>

The following is a breakdown by banking institution and amount of the balances shown above:

<u>Banking Institution</u>	<u>Amount</u>
Bank of Coushatta	\$ 1,939,929
Total	<u>\$ 1,939,929</u>

B. Investments

At June 30, 2012, the Red River Parish Sales & Use Tax Commission had investments of \$0.

NOTE 3 ACCOUNTS RECEIVABLE

The following is a summary of accounts receivable at June 30, 2012:

<u>Class of Receivable</u>	
Intergovernmental revenues	\$ 2,759
Total	<u>\$ 2,759</u>

RED RIVER PARISH SALES & USE TAX COMMISSION
COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2012

NOTE 4 CAPITAL ASSETS

A summary of the Red River Parish Sales & Use Tax Commission's capital assets at June 30, 2012 follows:

	Balance July 1, 2011	Additions	Retirements	Balance June 30, 2012
Capital Assets				
Furniture, fixtures and equipment	\$ 5,549	\$ 0	\$ 0	\$ 5,549
Less accumulated depreciation:	(2,220)	(1,109)	0	(3,329)
Total Capital Assets, net	<u>\$ 3,329</u>	<u>\$ (1,109)</u>	<u>\$ 0</u>	<u>\$ 2,220</u>

NOTE 5 ACCOUNTS PAYABLE AND ACCRUALS

The following is a summary of accounts payable at June 30, 2012:

<u>Class of Payable</u>	
Vendor	\$ 215
Salaries and benefits	472
Total	<u>\$ 687</u>

NOTE 6 COMPENSATED ABSENCES

At June 30, 2012, employees of the Red River Parish Sales & Use Tax Commission had accumulated \$26,768 in annual leave benefits which were computed in accordance with GASB Codification Section C 60. The following is a summary of the changes in accumulated annual leave benefits for the year ended June 30, 2012.

Compensated absences payable, beginning of year	\$ 23,697
Additions	4,763
Deletions	(1,692)
Compensated absences payable, end of year	<u>\$ 26,768</u>

NOTE 7 CONCENTRATION OF REVENUES

The Red River Parish Sales & Use Tax Commission received intergovernmental revenues from the Red River Parish School Board (39.15%), the Red River Parish Police Jury (29.36%), the Red River Parish Sheriff (19.58%), the Town of Coushatta (9.79%) and the Village of Hall Summit (2.12%) during 2012.

NOTE 8 PENSION PLAN

All employees of the Red River Parish Sales & Use Tax Commission are covered by the Social Security System. Employees contributed 4.2% of their total salary to the System and the Commission contributed 6.2% for the year ended June 30, 2012. For the year ended June 30, 2012, total contributions to the system were \$4,680, of which the employees contributed \$1,890 and the Commission contributed \$2,790. Total payroll for the year ended June 30, 2012 was \$45,000 and total payroll covered by the system was \$45,000. Any future deficit in this system will be financed by the United States Government. The Commission has no further liability to the System for the year ended June 30, 2012.

RED RIVER PARISH SALES & USE TAX COMMISSION
COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2012

NOTE 9 TAXES PAID UNDER PROTEST

Louisiana Revised Statute 47:1576 provides that taxpayers, at the time of payment of all taxes due, may give notice to the tax collector of their intention to file suit for recovery of all or a portion of the total taxes paid. Upon receipt of a notice, the amount paid shall be segregated and held by the Tax Commission for a period of thirty days. If a suit is filed within 30 days, the segregated funds shall be held pending the outcome of the suit. If the taxpayer prevails, the Tax Commission shall refund the amount due with interest from the date the funds were received by the Tax Commission. There were \$1,668,178 in sales taxes paid under protest at June 30, 2012.

NOTE 10 LEASE OBLIGATIONS

The Red River Parish Sales & Use Tax Commission was not obligated under any capital or operating lease commitments at June 30, 2012.

NOTE 11 LITIGATION

The Red River Parish Sales & Use Tax Commission was not involved in any litigation as a defendant but was involved in one lawsuit as a plaintiff at June 30, 2012. In the lawsuit, the Tax Commission is trying to void a professional service contract that the Tax Commission believes is not in accordance with State law. In the opinion of the Tax Commission's management and legal counsel, resolution of this matter would not create a liability that would have a material adverse effect on the financial condition of the Tax Commission.

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE 1

RED RIVER PARISH SALES & USE TAX COMMISSION
COUSHATTA, LOUISIANA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS - BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2012

	Original Budget	Amended Budget	Actual	Variance Fav./(Unfav.)
REVENUES				
Intergovernmental revenues	\$ 65,000	\$ 56,500	\$ 56,318	\$ (182)
Interest income	25	600	635	35
Total Revenues	65,025	57,100	56,953	(147)
EXPENDITURES				
General government				
Personal services	49,068	49,068	48,842	226
Travel	450	426	401	25
Operating services	3,407	3,335	6,208	(2,873)
Supplies	2,500	1,000	1,615	(615)
Professional services	4,000	5,000	5,000	0
Capital outlay	5,600	2,838	0	2,838
Total Expenditures	65,025	61,667	62,066	(399)
Excess/(Deficiency) Of Revenues				
Over Expenditures	0	(4,567)	(5,113)	(546)
	82,167	82,167	82,167	0
Fund Balance, Beginning of year				
	\$ 82,167	\$ 77,600	\$ 77,054	\$ (546)
Fund Balance, End of year				

OTHER SUPPLEMENTARY INFORMATION

RED RIVER PARISH SALES & USE TAX COMMISSION
COUSHATTA, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2012

SECTION #1

SUMMARY OF AUDITORS' RESULTS

FINANCIAL STATEMENTS

- | | | |
|----|--|---------------|
| 1. | Type of auditors' report issued. | Unqualified |
| 2. | Internal control over financial reporting: | |
| | a) Material weakness(es) identified? | No |
| | b) Significant deficiency(ies) identified that are not considered to be material weaknesses? | None reported |
| 3. | Noncompliance material to financial statements noted? | No |

SECTION #2

FINANCIAL STATEMENT FINDINGS

None reported.

SCHEDULE 3

RED RIVER PARISH SALES & USE TAX COMMISSION
COUSHATTA, LOUISIANA
SCHEDULE OF COLLECTIONS, DISTRIBUTIONS AND UNSETTLED BALANCES
FOR THE YEAR ENDED JUNE 30, 2012

Unsettled Balances at July 1,	\$ 18,757
COLLECTIONS	
Sales and use taxes	25,950,397
Interest	<u>3,077</u>
Total Collections	<u>25,953,474</u>
Total Available for Distribution	
DISTRIBUTIONS	
Red River Parish School Board (2%)	10,308,026
Red River Parish Police Jury (1.5%)	7,712,999
Red River Parish Sheriff's Office (1.0%)	5,154,031
Town of Coushatta (1.0%)	886,919
Village of Hall Summit (1.0%)	<u>45,879</u>
Total Distributions	<u>24,107,854</u>
Unsettled Balances at June 30, Due to Taxing Bodies	\$ <u>1,864,377</u>

Note: The Tax Commission distributes all sales and use taxes and interest collected each month to the respective entities less any funds paid under protest which are put in escrow accounts (see footnote number 9).

HINES, SHEFFIELD & SQUYRES, L.L.C.

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Red River Parish Sales & Use Tax Commission
Post Office Box 570
Natchitoches, Louisiana 71019

We have audited the accompanying financial statements of the governmental activities and the aggregate remaining fund information of the Red River Parish Sales & Use Tax Commission, Coushatta, Louisiana as of and for the year ended June 30, 2012, and have issued our report thereon dated October 18, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of the Red River Parish Sales & Use Tax Commission is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Red River Parish Sales & Use Tax Commission's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Red River Parish Sales & Use Tax Commission's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Red River Parish Sales & Use Tax Commission's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Red River Parish Sales & Use Tax Commission's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Page #2

This report is intended solely for the information and use of the Red River Parish Sales & Use Tax Commission, management and the Louisiana State Legislative Auditor and is not intended to be, and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Hines, Sheffield & Squyres

Natchitoches, Louisiana

October 18, 2012

RED RIVER PARISH SALES & USE TAX COMMISSION
COUSHATTA, LOUISIANA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2012

	Fiscal Year		Corrective	Planned Corrective
	Finding		Action Taken	Action/Partial
	Initially		(Yes, No,	Corrective
<u>Ref. No.</u>	<u>Occurred</u>	<u>Description of Finding</u>	<u>Partially)</u>	<u>Action Taken</u>

Nothing came to our attention that would require disclosure under Government Auditing Standards.

RED RIVER PARISH SALES & USE TAX COMMISSION
COUSHATTA, LOUISIANA
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2012

<u>Ref. No.</u>	<u>Description of Finding</u>	<u>Corrective Action Planned</u>	<u>Name(s) of Contact Person(s)</u>	<u>Anticipated Completion Date</u>
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Nothing came to our attention that would require disclosure under Government Auditing Standards.